



M e m o r a n d u m

To: Panel Members Date: March 27, 2003

From: Pam Haynes File: 64:06
Assistant Director

Subject: SMALL BUSINESS PILOT PROJECT (SBPP) UPDATE FOR MARCH 2003

BACKGROUND

The purpose of this pilot project is to test whether specific changes in ETP contracting processes and procedures can increase the number of small employers participating in ETP training who would otherwise not complete the ETP contracting process.

Participation would be limited to those small employers that:

- Employ 100 or fewer employees.
- Need less than 40 hours of training but at least 8 hours of training thus eliminating the need for the full and lengthy development of a curriculum.
- Total training costs does not exceed \$25,000.
- Are willing to participate in a modified contracting system that:
 - Simplifies (by combining) the eligibility and application process reducing the field office processing time to 5 days or less;
 - Allows for a shorter training agreement reducing processing, after approved, to as little as 1 day.
- Agree to a modified two-payment schedule that allows for an expedited (5-10 day) invoicing process.
- Can complete training within a 1 to 2 month period as oppose to as much as a two-year period.

Since the pilot project was initiated, there has been increased interest shown by the Legislature in using ETP to support small businesses. Four bills have been introduced that reflect this interest. Staff will monitor the legislation and continue to work with the authors.

SBPP CONTRACTS FOR PANEL CONSIDERATION

In your panel packet this month you will find one (1) Small Business Contract developed under the SBPP. If approved by the Panel, this contract brings the total contracts approved to 28 contracts (27 projects) for the six months of the project and represents 75 percent of the 36 projects scheduled for development under the SBPP.

This month's project represents one small employer from the manufacturing sector in Alameda County specializing in engineering design and manufacturing services (fabrication of equipment for semiconductors) for capital equipment and Original Equipment Manufacturers. This company has 32 full time employees with 12 employees (38 percent) being trained using ETP funds.

The total ETP training cost is \$9,360 with the company contributing \$11,050 in additional training costs. This employer pays an hourly wage ranging from \$19.00 to \$32.00 per hour as well as the full cost of employee medical and dental benefits.

Each trainee will receive 39 hours of training in Continuous Improvement and Manufacturing Skills. Training will be provided under a subcontract with Ohlone College located in Fremont, California.

In addition, our small business development staff is currently working with five SBPP Applications to bring forward for your review at the April meeting. The attached chart shows (should the Panel approve the project before them today) 28 contracts (27 Projects) have been developed to date, representing a total of \$328,480 in funds committed to the Small Business Pilot Project.

SMALL BUSINESS PILOT PROJECT EVALUATOR

On January 30, 2003, ETP staff sent out a Request for Concept Paper to 16 Universities and Governmental organizations to secure an independent evaluator, under an interagency agreement, for the Small Business Pilot Project. The Panel received responses from two universities. Staff has selected the Ohrenschall Center for Entrepreneurship, College of Business at California State University, San Francisco to perform the evaluation. We are in the process of developing the Interagency Agreement that will allow the evaluation to proceed. Staff should have the final agreement to the Panel for review and approval at the April Panel meeting.

Attachment

DEVELOPMENT ACTIVITY UNDER THE SMALL BUSINESS PILOT PROJECT

Reference Number	Contractor	RED Received	RED Assigned	Field Office Assigned	Develop-ment Analyst	Site Visit	Application for Funding Received	Assigned	Dollar Amount	ETP Agreement Number	CRU Received Date	ETP Agreement Approved Date	SBPP Agreement Number	Date Returned to Standard Development
02-0216	MWS Wire Products, Inc	12/03/2001	12/03/2001	LA	JJ	12/11/2001	10/03/2002	10/03/2002	\$ 7,340.00	ET03-0190-000	10/10/2002	10/24/2002	03	
02-0233	Castle Press, Inc.	12/11/2001	12/11/2001	LA	JJ	02/07/2002	11/20/2002	10/11/2002	\$ 14,000.00	ET03-0189-000	10/10/2002	10/24/2002	02	
02-0519	VAS Engineering	06/18/2002	06/20/2002	SD	SG	07/16/2002								10/16/2002
03-0007	POLYONE	07/08/2002	07/18/2002	LA	JJ	12/13/2002	12/13/2002	12/13/2002	\$ 7,820.00	ET03-0270-000	02/06/2003	02/27/2003		12/13/2002
03-0042	Sihegee USA	08/06/2002	08/27/2002	SD	SG	10/09/2002								10/16/2002
03-0072	Pacifica Capital Company	09/03/2002	09/04/2002	SD	SG	10/07/2002	10/08/2002	10/08/2002	\$ 14,880.00	ET03-0194-000	10/10/2002	10/24/2002	06	
03-0078	Pelican Rope Products	09/09/2002	09/17/2002	SD	SG	10/18/2002	11/06/2002	11/06/2002	\$ 2,760.00	ET03-0207-000	11/13/2002	11/21/2002	08	
03-0079	Quallion, LLC	09/09/2002	09/12/2002	LA	JJ	10/07/2002	11/12/2002	11/12/2002	\$ 24,400.00	ET03-0209-000	11/13/2002	11/21/2002	07	
03-0090	Gordon Laboratories	09/19/2002	09/19/2002	LA	JJ	10/25/2002	10/25/2002	10/25/2002	\$ 20,280.00	ET03-0210-000	11/13/2002	11/21/2002	09	
03-0094	US Rigging Supply Company	09/23/2002	09/23/2002	SD	SG	10/18/2002	11/06/2002	11/06/2002	\$ 3,120.00	ET03-0208-000	11/13/2002	11/21/2002	08	
03-0104	Cypress Grove Chevre, Inc.	09/30/2002	10/01/2002	SC	KS	10/04/2002	10/04/2002	10/04/2002	\$ 3,120.00	ET03-0188-000	10/10/2002	10/24/2002	01	
03-0107	Imagic, Inc.	10/02/2002	10/02/2002	LA	JJ	10/04/2002	10/04/2002	10/04/2002	\$ 2,280.00	ET03-0191-000	10/10/2002	10/24/2002	04	
03-0108	Promor Unlimited	10/02/2002	10/02/2002	LA	JJ	10/08/2002	10/08/2002	10/08/2002	\$ 17,940.00	ET03-0192-000	10/10/2002	10/24/2002	05	
03-0109	Z Microsystems	10/02/2002	10/02/2002	SD	SG	10/15/2002	11/21/2002	11/21/2002	\$ 12,800.00	ET03-0228-000	12/04/2002	12/19/2002	15	
03-0112	Payroll People, Inc.	10/04/2002	10/04/2002	SC	KS	10/25/2002	12/19/2002	12/19/2002	\$ 5,760.00	ET03-0239-000	12/23/2002	01/23/2003	19	
03-0138	Frontline Sales, Inc.	10/21/2002	10/25/2002	LA	JJ	11/05/2002	11/05/2002	11/05/2002	\$ 7,100.00	ET03-0214-000	11/13/2002	11/21/2002	10	
03-0143	Unichem Industries	10/25/2002	10/29/2002	LA	JJ	11/01/2002	11/06/2002	11/06/2002	\$ 4,380.00	ET03-0213-000	11/13/2002	11/21/2002	13	
03-0147	Empower RF Systems, Inc.	10/31/2002	10/31/2002	LA	JJ	11/04/2002	11/05/2002	11/05/2002	\$ 2,880.00	ET03-0212-000	11/13/2002	11/21/2002	12	
03-0149	Ortho Engineering	11/05/2002	12/18/2002	LA	JJ	01/03/2003	01/13/2003	01/13/2003	\$ 14,400.00	ET03-0258-000	01/13/2003	01/23/2003	20	
03-0153	RINA Accountancy Corporation	11/05/2002	01/10/2002	SM										01/10/2003
03-0154	Sercomp Corporation	11/06/2002	11/06/2002	LA	JJ	11/05/2002	11/05/2002	11/05/2002	\$ 20,280.00	ET03-0211-000	11/13/2002	11/21/2002	11	
03-0163	T Christy Enterprises, Inc.	11/07/2002	11/08/2002	SD	SG	12/03/2002	12/03/2002	12/03/2002	\$ 24,960.00	ET03-0236-000	12/04/2002	12/19/2002	14	
03-0165	Industrial Modification & Repair, Inc.	11/07/2002	11/08/2002	LA	JJ	11/12/2002	12/03/2002	12/03/2002	\$ 12,480.00	ET03-0234-000	12/06/2002	12/19/2002	16	
03-0173	Santa Cruz Millwork	11/19/2002	11/19/2002	SM	AN	12/05/2002	12/05/2002	12/05/2002	\$ 3,640.00	ET03-0235-000	12/06/2002	12/19/2002	18	
03-0176	TLD Distribution, Inc.	11/22/2002	12/10/2002	LA	JJ	12/03/2002	12/03/2002	12/10/2002	\$ 24,960.00	ET03-0233-000	12/06/2002	12/19/2002	17	
03-0192	Primero Systems, Inc.	12/04/2002	12/18/2002	SD	SG	12/20/2002								
03-0195	American Cargoservice, Inc.	12/10/2002	12/10/2002	SD	SG	12/20/2002								
03-0200	Sciron Consulting Group	12/11/2002	12/18/2002	SD	SG	12/20/2002								
03-0220	Price Transfer	12/30/2002	01/14/2002	LA	JJ									
03-0221	Art Craft Paint	12/30/2002												02/28/2003
03-0228	Simmons Machinery Company	01/07/2002	01/10/2003	SM	AN	01/15/2003								01/10/2003
03-0230	NVISION, Inc.	01/10/2003	01/10/2003	SC	KS	01/10/2003	01/10/2003	01/10/2003	\$ 7,400.00	ET03-0259-000	01/13/2003	01/23/2003	21	
03-0247	Orlando Spring Corporation	01/31/2003	01/10/2003	SD	SG	02/11/2003	02/11/2003	02/11/2003	\$ 17,160.00	ET03-0278-000	02/13/2003	02/27/2003	22	
03-0250	Roy E. Whitehead	02/04/2003	02/04/2003	SD	SG	02/11/2003	02/11/2003	02/11/2003	\$ 14,000.00	ET03-0279-000	02/13/2003	02/27/2003	23	
03-0251	Key Electronics Mfg.	02/04/2003	02/05/2003	SD	SG	02/11/2003	02/11/2003	02/11/2003	\$ 3,040.00	ET03-0277-000	02/13/2003	02/27/2003	24	
03-0253	Color Ad	02/07/2003	02/11/2003	LA	JJ	02/13/2003	02/13/2003	02/13/2003	\$ 24,960.00	ET03-0282-000	02/14/2003	02/27/2003	25	
03-0254	Aremac Heat Treating, Inc.	02/04/2003	02/10/2003	LA	JJ	02/13/2003	02/13/2003	02/13/2003	\$ 8,800.00	ET03-0281-000	02/14/2003	02/27/2003	26	
03-0260	Edge Circuit Technology	02/18/2003	02/18/2003	SD	SG									
03-0261	Owens Design, Inc.	02/20/2003	02/20/2003	SM	AN	02/21/2003	03/04/2003	03/05/2003	\$9,360.00				27	
03-0275	International Metal Trading Company	03/03/2003	03/06/2003	LA	JJ									
03-0278	Avencom, LLC	03/04/2003	03/06/2003	SD	SG									
03-0279	Wright Capacitors, Inc.	03/06/2003	03/10/2003	SD	SG									
03-0285	Solid State Stamping, Inc.	03/11/2003	03/11/2003	SD	SG									
Total Activity:		43	42			32	28	28	\$ 328,480.00	27	27	27	28	6

DEVELOPMENT ACTIVITY UNDER THE SMALL BUSINESS PILOT PROJECT

Reference		
Number	Contractor	Reason Code
02-0216	MWS Wire Products, Inc	
02-0233	Castle Press, Inc.	
02-0519	VAS Engineering	Not Likely to Contract
03-0007	POLYONE	No SBPP - 100+ FT Ees
03-0042	Sihegee USA	Not Likely to Contract
03-0072	Pacifica Capital Company	
03-0078	Pelican Rope Products	
03-0079	Quallion, LLC	
03-0090	Gordon Laboratories	
03-0094	US Rigging Supply Company	
03-0104	Cypress Grove Chevre, Inc.	
03-0107	Imagic, Inc.	
03-0108	Promor Unlimited	
03-0109	Z Microsystems	
03-0112	Payroll People, Inc.	
03-0138	Frontline Sales, Inc.	
03-0143	Unichem Industries	
03-0147	Empower RF Systems, Inc.	
03-0149	Ortho Engineering	
03-0153	RINA Accountancy Corporation	SET Eligible ONLY
03-0154	Sercomp Corporation	
03-0163	T Christy Enterprises, Inc.	
03-0165	Industrial Modification & Repair, Inc.	
03-0173	Santa Cruz Millwork	
03-0176	TLD Distribution, Inc.	
03-0192	Primero Systems, Inc.	
03-0195	American Cargoservice, Inc.	
03-0200	Sciron Consulting Group	
03-0220	Price Transfer	OSC - Corporate HQ Only
03-0221	Art Craft Paint	No contact from Employer
03-0228	Simmons Machinery Company	SET Eligible ONLY
03-0230	NVISION, Inc.	OSC - Corporate HQ Only
03-0247	Orlando Spring Corporation	
03-0250	Roy E. Whitehead	
03-0251	Key Electronics Mfg.	
03-0253	Color Ad	
03-0254	Aremac Heat Treating, Inc.	
03-0260	Edge Circuit Technology	
03-0261	Owens Design, Inc.	
03-0275	International Metal Trading Company	
03-0278	Avencom, LLC	
03-0279	Wright Capacitors, Inc.	
03-0285	Solid State Stamping, Inc.	

Total Activity: